THIRTEENTH REPORT

STANDING COMMITTEE ON URBAN AND RURAL DEVELOPMENT (1999-2000)

(THIRTEENTH LOK SABHA)

MINISTRY OF RURAL DEVELOPMENT (DEPARTMENT OF RURAL DEVELOPMENT)

DEMAND FOR GRANTS (2000-2001)

Presented to Lok Sabha on 24 April, 2000
Laid in Rajya Sabha on 24 April, 2000

सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI
April, 2000/Vaisakha 1922 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON URBAN AND RURAL DEVELOPMENT (1999-2000)

Shri Anant Gangaram Geete — *Chairman*

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Nominated *w.e.f.* 6.4..2000 *vice* Shri Vijay Goel
* Nominated *w.e.f.* 24.1.2000

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SECRETARIAT

1. Shri S.C. Rastogi	—	*Joint Secretary*
2. Shri R. Kothandaraman	—	*Deputy Secretary*
3. Shrimati Sudesh Luthra	—	*Under Secretary*
4. Shri A.K. Srivastava	—	*Committee Officer*

@Nominated *w.e.f.* 16.3.2000

**Died on 13.1.2000

*Ceased to be a member of the Committee *w.e.f.* 2nd April, 2000 consequent upon his retirement from Rajya Sabha

ABBREVIATIONS

BE	—	Budget Estimates
BPL	—	Below Poverty Line
CAPART	—	Council for Advancement of People's Action and Rural Technology
CRSP	—	Central Rural Sanitation Programme
DAVP	—	Directorate of Advertising and Visual Publicity
DWCRA	—	Development of Women and Children in Rural Areas
DRDA	—	District Rural Development Agency
DLCC	—	District Level Coordination Committee
EAS	—	Employment Assurance Scheme
ETC	—	Extension Training Centre
GKY	—	Ganga Kalyan Yojana
IAY	—	Indira Awas Yojana
IRDP	—	Integrated Rural Development Programme
IIRMA	—	Indian Institute of Rural Management Anand
IWDP	—	Integrated Wastelands Development Programme
JRY	—	Jawahar Rozgar Yojana
JGSY	—	Jawahar Gram Samridhi Yojana
MNP	—	Minimum Needs Programme
MWS	—	Million Wells Scheme
NIRD	—	National Institute of Rural Development
NMBS	—	National Maternity Benefit Scheme
NOAPS	—	National Old Age Pension Scheme

NFBS	—	National Family Benefit Scheme
NGO	—	Non-Government Organization
NSAP	—	National Social Assistance Programme
NSSO	—	National Sample Survey Organisation
NCT	—	National Capital Territory
OB	—	Organization of Beneficiaries
PC	—	Partially Covered
PMGY	—	Prime Minister's Gramodaya Yojana
PMRY	—	Prime Minister's Rozgar Yojana
PRIs	—	Panchayati Raj Institutions
RE	—	Revised Estimates
SIRD	—	State Institute of Rural Development
SGSY	—	Swarna Jayanti Gram Swarozgar Yojana
SC	—	Scheduled Caste
TRYSEM	—	Training of Rural Youth for Self-Employment
UT	—	Union Territory
VO	—	Voluntary Organization

INTRODUCTION

I, the Chairman of the Standing Committee on Urban and Rural Development (1999-2000) having been authorised by the Committee to submit the Report on their behalf, present the Thirteenth Report on Demand for Grants (2000-2001) of the Department of Rural Development.

2. Demand for Grants has been examined by the Committee under Rule 331E(1)(a) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Committee took evidence of the representatives of the Department of Rural Development on the 28th March, 2000.

4. The Report was considered and adopted by the Committee at their sitting held on the 10th April, 2000.

5. The Committee wish to express their thanks to the Department of Rural Development (Ministry of Rural Development) for placing before them the requisite material in connection with the examination of the subject. They also wish to express their thanks to the officers of the Department who appeared before the Committee and placed their considered views.

6. The Committee would also like to place on record their sense of deep appreciation for the invaluable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

NEW DELHI;
20 *April*, 2000
31 *Chaitra*, 1922 *(Saka)*

ANANT GANGARAM GEETE,
Chairman,
Standing Committee on
Urban and Rural Development.

REPORT

CHAPTER I

INTRODUCTORY

1.1 The Ministry of Rural Development consists of three Departments (i) Department of Rural Development; (ii) Department of Drinking Water Supply; and (iii) Department of Land Resources.

1.2 The Department of Rural Development deals with centrally sponsored programmes/schemes like Swaranjayanti Gram Swarojgar Yojana, Jawahar Gram Samridhi Yojana, Employment Assurance Scheme, Indira Awaas Yojana, National Social Assistance Programme, etc. The Department is also vested with the nodal responsibility of monitoring the implementation of Part IX of the Constitution.

1.3 The overall Demand for Grants of the Department for 2000-2001 are for Rs. 6778.99 crore.

1.4 The Demand for Grants of the Department has been presented to Parliament under Demand No. 70. The detailed Demand for Grants of the Department was laid in Lok Sabha on 9th March, 2000.

1.5 In the present Report, the Committee have examined the centrally sponsored schemes/programmes *viz.* (i) Swaranjayanti Gram Swarojgar Yojana, (ii) Jawahar Gram Samridhi Yojana, (iii) Employment Assurance Scheme, (iv) Indira Awaas Yojana, (v) National Social Assistance Programme, (vi) Annapurana, (vii) DRDA Administration, (viii) Training Schemes (NIRD, SIRD, ETC and OTC), (ix) Panchayati Raj, (x) CAPART Schemes and (xi) programmes related to rural connectivity in the context of the proposed budgetary allocation for the year 2000-2001.

CHAPTER II

AN OVERALL ANALYSIS OF DEMAND FOR GRANTS FOR THE YEAR 2000-2001 OF THE DEPARTMENT OF RURAL DEVELOPMENT (MINISTRY OF RURAL DEVELOPMENT)

Comparative Outlay of the Schemes/Programmes of the Department

2.1 The comparative outlay for various schemes/programmes of the Department for plan and non-plan heads are given at Appendices I and II respectively. The broad details of Plan outlay, expenditure incurred etc. during 8th and 9th Plans are as under:

Plan Schemes

	Rs. in crore
8th plan outlay	23280.00
expenditure incurred	25960.52
proposed outlay during 9th Plan	128464.40
outlay as agreed by the Planning Commission	32869.87
B.E. 1999-2000	7517.00
actual Expenditure 1999-2000 (upto 22.2.2000)	6355.90
outlay proposed to Planning Commission for 2000-2001	10440.14
BE 2000-2001	6760.00

2.2 It could be seen from the data given above that there is a net reduction of outlay amounting to Rs. 757 crore during 2000-2001 as compared to the outlay during previous year. The allocations for the major schemes of the Department like SGSY, JGSY and EAS, stand reduced by Rs. 215 crore, Rs. 445 crore and Rs. 400 crore respectively whereas *status quo* has been maintained in respect of IAY.

2.3 The Committee are deeply concerned over the reduction in the outlay for the year 2000-2001 as compared to the previous year, resulting in proposals for lower allocations for the major schemes of the Department. The Committee are also concerned to note that the Planning Commission agreed to provide only around 25% of funds during 9th Plan period as against the proposals submitted by the Government. Keeping in view the fact that all the schemes of the Department are aimed at liberating the rural masses from abject poverty and for permanently improving their economic standards for the development of the country, the Committee strongly deplore the lackadaisical perceptions of those in the Planning Commission as well as in the Government for failing to concede the required outlay for the programmes. The Committee urge that high-level coordination be undertaken between the Government and the Planning Commission, in consultation with State Governments, RBI, NABARD and other concerned, to exponentially increase the allocation of resources for anti-poverty programmes and improve the efficacy of administration in particular by according primacy to the involvement of PRIs in all these schemes and eliminating waste and corruption to ensure that as many paise in the rupee as possible reach the intended beneficiaries.

Restructuring of Programmes

2.4 It has been stated by the Government that they have launched restructured schemes *viz.* SGSY, JGSY, EAS, Rural Housing and DRDA Administration with effect from 1 April, 1999. A new scheme named 'Annapurna' has also been launched under Social Assistance Programme from 1st April, 2000.

The Scheme-wise allocations are as under:

(Rs. in crore)

Sl.No.	Name of the Scheme	B.E. (1999-2000)	R.E. (1999-2000)	B.E. (2000-2001)
1	2	3	4	5
1.	Swarnajayanti Gram Swarozgar Yojana (SGSY)	1215.00*	950.00	1000.00
2.	DRDA Administration	0.00	110.00	220.00
3.	Jawahar Gram Samridhi Yojana (JGSY)	2095.00	1689.00	1650.00
4.	Rural Housing (Indira Awaas Yojana)	1710.00	1659.00	1710.00
5.	Annapurna	0.00	0.00	100.00

* This includes proposed provision for DRDA Administration also.

2.5 Financial and physical achievement of the restructured programme/schemes is as given below:

Sl. No.	Name of the Programme	Physical			Financial		
		Targets	Achievement	Percentage Achievement	Targets	Achievement (Rs. in crore)	Percentage Achievement
1	2	3	4	5	6	7	8
1.	Swarnajayanti Gram Swarozgar Yojana (SGSY) (lakhs families)				(Central Share)	(Central release)	
	1998-99	*	16.77 (lakh swarozgaris)	—	729.15	625.83	85.80
	1999-2000	*	2.48 (upto December, 1999)	—	924.15	476.82 (upto January, 2000)	51.60
	2000-2001	*	—	—	1000.00		
2.	Jawahar Gram Samridhi Yojana (JGSY) (Million Mandays)						
	1998-99	396.65	376.62	94.95	2078.44	2050.96	98.68
	1999-2000	**	122.89 (upto November, 1999)	—	1689.00	815.26 (upto January, 2000)	48.27
	2000-2001	**	—	—	1650.00		
3.	Employment Assurance Scheme (EAS) (Million Mandays)						
	1998-99	—	415.17	—	1990.00	1988.46	99.92
	1999-2000	—	147.30 (upto December, 1999)	—	2040.00	1301.93	63.82
	2000-2001	@	—	—	1300.00	—	—
4.	Rural Housing (IAY) (Lakh Houses)						
	1998-99	9.87	8.36	84.70	1532.00	1532.00	100.00
	1999-2000	12.72	4.50 (upto December, 1999)	35.38	1659.00	1147.81 (upto January, 2000)	69.19
	2000-2001	13.00	—	—	1710.00		

* No physical targets are fixed. Instead, financial targets for per family investment and total credit mobilisation are fixed.

** No physical targets are being fixed under the restructured Jawahar Gram Samridhi Yojana from 1999-2000 as the scheme is now basically intended for creation of village infrastructure.

@ No physical targets were fixed upto 1999-2000. However, it is proposed to fix the targets from 2000-2001 after consulting State Governments.

The updated data (upto March) of physical achievement of JGSY, RH and SGSY as furnished by the Government may be seen as below:

(As on 31.03.2000) (Rs. in Crore)

Sl. No.	Scheme/Programme	Central	
		Allocation (1999-2000)	Release
1.	Jawahar Gram Samridhi Yojana (JGSY)	1689.00	1686.45
2.	Rural Housing (RH)	1659.00	1659.00
3.	Swarnajayanti Gram Swarozgar Yojana (SGSY)	950.00	932.68
4.	Rural Housing	1659.00	1659.00

2.6 It could be seen from the above data that there is a drastic reduction in physical achievements under restructured programmes like SGSY, JGSY, EAS and RH during 1999-2000 as compared to the achievements made during previous year. SGSY Swarozgaris assisted were about a third of the number assisted previous year; mandays of wage employment generated fell to about half; EAS wage employment was drastically curtailed to about half; and the number of houses built under IAY fell by well over a quarter." The financial achievement was around 50% under SGSY and JGSY. Under EAS and IAY, the financial achievements were 63.82% and 69.19% respectively upto January 2000. The financial achievements in regard to these programmes suddenly shot up to nearly 100%, during March 2000.

2.7 The Committee are concerned over the dismal performance of the newly structured programmes SGSY, JGSY and RH meant to generate rural employment poverty alleviation and rural housing. The very poor performance of these programmes could be attributed to the poor planning and deficient organisational techniques of the Government in implementing these schemes. The Committee, hence, recommend that the Government should evolve a fool-proof strategy to ensure that the funds are utilised throughout the year in a phased manner and physical targets achieved.

National Sample Survey of Persons Living below the Poverty Line

2.8 It has been mentioned in the written replies that National Sample Survey Organisation (NSSO) had carried out a survey in 1993-94 to identify the number of persons living below poverty line. As per the survey, 37.27% of rural population is below poverty line.

2.9 Further it has been mentioned that as per the recommendation of Expert group under the Chairmanship of Prof. D.T. Lakhadwala which was fully accepted by the Planning Commission, Rs. 266.27 *per capita* monthly expenditure (All India) is the cut-off line to declare a person as below poverty line in rural areas. Further it has been submitted in the written reply that another survey was carried out in the year 1998-99 to identify the number of persons living below the poverty line.

2.10 When asked about the planning on the part of the Government to bring such a large number of rural poor above the poverty line, it has been submitted in the written note that poverty reduction involves a number of measures pertaining to different Ministries. The Ministry of Rural Development has in place the targetted anti-poverty programmes to generate additional income to the rural poor. These are chiefly in the form of wage-employment programme and self-employment programme. While the wage-employment programme seeks to provide additional income in times of distress, it is the self-employment programme that seeks to provide additional income to the rural poor on a sustainable basis. Swarnajayanti Gram Swarojgar Yojana, the self-employment programme, seeks to cover, subject to availability of funds, 30% of the rural poor in the next five years. The objective of the programme is to bring every assisted family above the poverty line in three years.

2.11 While noting that the latest survey of persons living below the poverty line was carried out in 1998-99, the Committee would like to be apprised of the details of the said survey. Further the Committee desire that they should be informed about the details of the surveys being done by NSSO. They would also like to be apprised of the reasons for not considering the latest data as criteria for determining the number of persons living below poverty line. The Committee urge upon the Government to make available to them on periodic basis the results of the major as well as thin surveys conducted by the Government in this behalf.

2.12 The Committee while appreciating the laudable objective of the Government to cover 30% of the rural poor with a view to raising them above poverty line during the next five years, express their doubts about the success of the objective especially when the Department has just got 25% of the outlay that had been asked for. As rural poverty is the major stumbling block in bringing about an integrated development of the country in all areas for registering a remarkable place in the new world social order, the Committee stress on the Government the need to take extraordinary steps for compelling a review of the outlay agreed to by the Planning Commission so that all the schemes/programmes of the Department are implemented with unhindered vigour as well as for improving administrative efficacy and providing the full scale involvement of the PRIs in planning and implementation.

Lump-sum provision for North Eastern Region and Sikkim

Demand No. 70

Major Head 2552

2.13 It has been mentioned in the written reply furnished to the Committee that 10% of the total allocation of the Department *i.e.* Rs. 676 crore has been provided for North-Eastern region and Sikkim. The Department in their written reply have also furnished the guidelines specifying the area under which funds are to be distributed. These are as follows:—

> "10% of the total plan outlay of the Department of Rural Development has been earmarked for the development of the North Eastern Region, including Sikkim, by creating a Minor Head (under a separate Major Head) in the Demand for Grants of the Department, at the instance of the Ministry of Finance. The schemes of the Department of Rural Development implemented in the North Eastern Region will be funded from this Minor Head. It has also been mentioned that the Department of Rural Development had convened a meeting with Secretaries incharge of Rural Development in the North Eastern Region, including Sikkim, on 21.3.2000 and have advised these States to develop a perspective plan for the development of rural areas in these States, which could be funded from the Minor Head. Pending approval of such a perspective plan, the ongoing schemes of the Department of Rural Development, for which guidelines exist, are to be funded under this Minor Head."

2.14 The Committee while appreciating the steps taken by the Government to allocate 10% of the total allocation of the Department exclusively for North Eastern States and Sikkim, hope that the perspective plan for the development of rural areas in North Eastern States and Sikkim will be finalised expeditiously to ensure their integrated development. They would also like to be apprised of the said perspective plan when finalised and the follow up action taken thereon.

Matching contribution by North-Eastern States

2.15 When asked whether the Government have thought of providing 100% centrally sponsored programmes in the case of North Eastern States keeping in view the financial constraints faced by them it has been submitted by the Government in the written reply that:

> "At present, under the centrally sponsored programmes of Rural Development, the funds are shared between the Centre and the States in the ratio of 75:25. The contribution of State Governments is considered essential to ensure their involvement and accountability in the implementation of different schemes of the Department.
>
> There is no proposal, under consideration, to provide 100% centrally sponsored programmes in the case of North Eastern States. In a meeting convened in the Department of Rural Development with the Secretaries in charge of Rural Development in the North Eastern States recently, the State representatives felt that the funding pattern for the schemes of Rural Development must be changed to 90:10."

2.16 While appreciating the fact that, despite several special initiatives towards developing the North-East, the avowed objective in this regard remains unattained, the Committee urge the Government to put in place a special plan for utilising the entire 10% of the outlay exclusively earmarked for the North East which should envisage implementation of 100% Centrally Sponsored Programmes with the Central and the States' share standing at 90:10.

Performance Budget

2.17 The Committee are dismayed to note that the Performance Budget (2000-2001) of the Department does not include the implementation of the Constitution (73rd Amendment) Act, as one of the functions of the Department. Further the list of functions as given in the Performance Budget of the Department does not include constant and continuous monitoring of the impact of all the schemes of the Department on rural poverty ratios, as one of the functions of the Department. The Committee while appreciating the fact that several Committees and surveys for assessment of the extent of rural poverty had devised varying formulate for determining the extent of rural poverty leading to different assessments, are aghast at the way the Department have failed to mention the function of monitoring rural poverty as one of the major functions in the performance Budget. Equally shocking is the fact that the Department have employed outdated terminologies to refer to local bodies instead of using the terms and phraseologies used in the Constitution. The Committee strongly deplore the casual approach of the Government in preparing the Performance Budget which ought to have been drafted with utmost care, precision and perfection especially when it has to be laid before Parliament and when it has to be crucially depended upon by the Committee. Hence the Committee caution the Government to be extremely careful in future in preparing such documents.

District Planning Committees

2.18 One of the features of the Constitution (74th Amendment) Act is the constitution of the District Planning Committees to prepare development plans for the district as a whole. However, the Performance Budget nowhere mentions about the status of the constitution of these Committees in various States.

2.19 The Performance Budget of the Department, however, does not contain any informatioin relating to the constitution of District Planning Committees, their role and involvement in rural development schemes and programmes. The Committee stress that the Constitution requires the Government to ensure the involvement of District Planning Committees as grassroot level institutional devices for democratic planning. They, therefore, direct the Government to ensure the fulfilment of the Constitutioinal requirements in this regard in all States for involvement of the District Planning Committees in all rural development programmes in future.

Transferring of outlay directly from bank account at the Centre/State to the bank account of the implementing agencies

2.20 It has been mentioned in the Performance Budget that JGSY funds are kept in Nationalised Banks or Post Offices.

2.21 When asked about the position in the case of other schemes, it has been submitted by the Government in the written note that as per the guidelines of various programmes, the funds for all the rural development schemes are to be kept in the Natioinalised Banks/Post Offices.

2.22 The Committee note that in one or two programmes, the Government have the system of transferring the funds directly to the Implementing Agencies through banks. However, in respect of certain other schemes the Government appear to follow a complicated system of fund transfer leading to delays. The Committee disfavour the system of transfer of funds through post as it inherently involves delay. The Committee are of the strong opinion that the Government should urgently switch over to a system of transfer of funds using a wide network of nationalised banks and also exploit the advantages of the current day information technology.

CHAPTER III

SCHEME-WISE ANALYSIS OF THE PROGRAMMES/ SCHEMES RELATED TO POVERTY ALLEVIATION AND EMPLOYMENT GENERATION

(i) Swarnajayanti Gram Swarozgar Yojana

Demand No. 70
Major Head 2501

Objective

3.1 The objective of Swarnajayanti Gram Swarozgar Yojana (SGSY) is to provide sustainable income to the rural poor. The programme aims at establishing a large number of micro-enterprises in the rural areas building upon the potential of the rural poor. It is envisaged that every family assisted under SGSY will be brought above the poverty line in a period of three years.

Scope

3.2 Launched on 1st April, 1999, the programme replaces the earlier self-employment and allied programmes - IRDP, TRYSEM, DWCRA, SITRA, GKY and MWS, which are no longer in operation. The programme covers families below poverty line in rural areas of the country. Within this target group, special safeguards have been provided by reserving 50 per cent of benefits for SCs/STs, 40 per cent for women and 3 per cent for physically handicappd persons. Subject to availability of funds, it is proposed to cover 30 percent of the rural poor in each block in the next 5 years.

Funding

3.3 SGSY is a centrally sponsored scheme and funding is shared by the Central and State Governments in the ratio of 75:25.

Strategy

3.4 SGSY is a credit-cum-subsidy programme. It covers all aspects of self-employment, such as organisatioin of the poor into self-help groups, training, credit technology, infrastructure and marketing. Efforts would be made to involve women members in each self help group. SGSY lays emphasis on activity clusters. Four/five activities will be identified for each block with the approval of Intermediate Panchayats. The Gram Sabhas will authenticate the list of families below the poverty line identified in BPL census. Identification of individual families suitable for each key activity will be made through a participatory process. Closer attention will be paid on skill development of the beneficiaries known as swarojgaris and their technology and marketing needs.

3.5 Comparative data of BE/RE outlay during 1999-2000 and 2000-2001

(Rs. in crore)

	BE 1999-2000	RE 1999-2000	BE 2000-2001
Subsidy to District Rural Development Agencies	1189.154*	932.29	869.46
Other Programmes	25.85	17.71	30.54
Total SGSY	1215	950.00	900

* This includes proposed provision for DRDA administration.

3.6 Financial Progress during 1997-98, 1998-99 and 1999-2000

(Rs. in crores)

Year	Allocation	Utilisation	% Utilisation
1997-1998*	1133.51	1109.54	97.89
1998-1999*	1456.28	1162.28	79.81
1999-2000**	1231.37	253.75 **8932.68	20.61

*Provisional
**Upto December, 1999.

3.7 Physical Progress during 1997-98, 1998-99 and 1999-2000

(In numbers)

Year	Total Achievement	SC	ST	Women
1997-98*	17,06,609	5,74,851	2,17,319	5,85,895
1998-99*	16,77,000	5,67,00	2,11,000	5,78,000
1999-2000**	2,65,301	83,891	21,359	1,14,980

*Provisional

**Upto December 1999.

3.8 It has been stated in the written reply that since SGSY was launched in 1999-2000, it took sometime for the guidelines to be understood by all concerned including banks. Hence the progress under the programme was naturally slow.

3.9 In the Performance Budget (2000-2001) of the Department of Rural Development under the heading 'Action taken to implement the SGSY', it has been stated:

> "Detailed guidelines were issued in the end of May, 1999 after consultations with the representatives of State Governments, bankers as well as NGOs. For this purpose, consultation meetings were organised in Delhi in April and May, 1999. The guidelines were also explained and discussed in the meeting of State Secretaries held on 3-4th June, 1999 and in the meeting of central level coordination committee on 25th June, 1999. This meeting was also addressed by the Governor, RBI and attended by top executives of commercial banks. Further, the guidelines were also discusseed in the annual conference of project directors, held on 19-21st July, 1999."

Further it has been mentioned that "a crash programme of sensitation of DRDA, and block functionaries as well as bank officials was carried out in all the districts of the country in close association with NIRD, SIRD and IRMA during June-July, 1999."

3.10 The Committee note that the physical performance of re-structured SGSY programme during 1999-2000 has been dismal. They further note that the process of pre-implementation exercise such as issuing guidelines, interaction with banks and implementing agencies etc. was concluded by June-July, 1999. Thus there were around 8 months with the Government to implement the programme effectively. They are not inclined to accept the plea of the Government that it took sometime for the guidelines to be understood by all concerned including banks. They express their unhappiness over the way the restructured programme is being implemented.

3.11 Further, the Committee are surprised to note that the data regarding utilisation of outlay during 1999-2000 which was at Rs. 253.75 crore in January, 2000 surprisingly rose to Rs. 932.68 crore in March, 2000. They feel that a substantial part of the outlay is allocated at the fag end of the financial year just to inflate the data for painting a rosy picture about the implementation of the programme. Such fag-end releases also result in unspent balances getting accumulated with the implementing agencies. The Committee therefore recommend tht the release of funds should be in a phased manner throughout the year after properly gearing up the implementing agencies to absorb the releases. The Committee further recommend that real time monitoring of physical achievement and of the ratio of financial outlay to physical achievement, should be done alongwith effectively activating institutional mechanism including the PRIs for the efficient and cost effective implementation of the programmes.

Constitution of SGSY Committees

3.12 In Chapter II of Performance Budget (Para IV) it has been stated that:

> "SGSY Committees at the block, district, State and Central level have been prescribed in the guidelines to oversee the functioning and the performance under SGSY and to give general guidance in policy making, monitoring and release of Central share of funds."

3.13 According to the Constitution (73rd Amendment) Act, 1992, there shall be a three tier system of Panchayati Raj for all States having population of over 20 lakhs and Panchayati Raj Institutions shall implement such schemes for economic development and social justice as may be entrusted to them.

3.14 When asked about the appropriateness of constitution of SGSY Committees inspite of the existence of Constitutional three tier Panchayat Raj System, it was clarified by the Government that the formation of the block-level and district-level SGSY committees is not a digression from the objective of the Panchayati Raj System. The guidelines of Swarnjayanti Gram Swarozgar Yojana clearly state that the programme will be implemented by the DRDAs through the Intermediate Panchayats and with the active involvement of other Panchayati Raj Institutions, the banks, the line departments and the NGOs. Swarnjayanti Gram Swarozgar Yojana is a programme having many dimensions and unless all concerned play their role, the programme will not meet with the desired degree of success. It has further been stated that block-level and district-level SGSY Committees are essential mechanisms to deal with issues relating to coordination, either with line departments, banks, NGOs, etc. Deliberations in these committees are expected to pay attention to details, which may not be possible in meetings of the Intermediate Panchayats or the District Panchayats.

3.15 The Committee express their concern over the constitution of SGSY committees when already a system of three tier Panchayati Raj System exists. They therefore feel that the implementation of SGSY should appropriately be entrusted to PRIs with a view to deep rooting and strengthening the Constitutionally recognised democratic apparatus at grass root levels.

Improvement in the functioning of banks

3.16 On being asked about the steps taken by the Government to improve the attitude of banks towards of SGSY for the effective implementation of SGSY, the Government in their reply have stated that following steps have been taken:

(a) the design of the programme and the guidelines have been finalised after extensive consultation with banks including the Reserve Bank of India;

(b) the Deputy Governor, RBI has been made the member of Central Level Coordination Committee. The first meeting of the CLCC was held at Mumbai and the Governor of RBI addressed the meeting;

(c) with a view to ensure a close monitoring by the banks, banks have been requested to nominate a senior officer as a nodal officer for Swarnjayanti Gram Swarozgar Yojana.

(d) the guidelines of the programme provide for association of bankers at all stages of the programme, including identification of key activities, activity clusters, planning and preparation of projects, infrastructure planning, assessment of self-help groups and the choice of their activities and selection of individual Swarozgaris.

(e) provision has been made for close post-credit monitoring including loan recovery.

(f) in order to ensure recovery discipline, it has been stipulated that Panchayats and Intermediate Panchayat registering less than 80% recovery will be ineligible for Swarnjayanti Gram Swarozgar Yojana with effect from 1.1.2001.

3.17 When, asked whether the stipulated rate of recovery as mentioned at para 3.15(f) above is too much keeping in view the poor recovery rate under Integrated Rural Development Programme, the Government in their written note have submitted that poor rate of recovery has been a major problem under IRDP and has also contributed to a certain reluctance on the part of the bankers to actively involve themselves in the scheme. Several factors were responsible for the poor rate of recovery including deficiencies relating to beneficiaries, insufficient attention to the income generated from the activities, lack of forward and backward linkages, lack of sufficient monitoring, etc. In formulating Swarnjayanti Gram Swarozgar Yojana, care has been taken to pay sufficient attention to all these issues. The selection of key activities, project profiles being drawn up in advance and being approved by the banks, ensuring that each activity financed assures a minimum return of Rs. 2000 per month, marketing and technoogy tie-ups, close monitoring at all levels, are all expected to assure that the basic objective of bringing every assisted family above the poverty line in three years is fulfilled. In addition, the emphasis is on lending

through self-help groups, who are given the loans after they fulfil certain basic criteria including financial discipline. The record of working through groups in other developing countries as well as within our country has revealed that recovery rates are very high and are often between 95-100%. It is against this background that a stipulation has been made regarding a minimum of 80% recovery. The intention was also to send a clear signal that the objective under the programme is to utilise the loans for generating sustainable income and that any loan must be repaid. Dilution of the principle is likely to adversely affect the interest evinced by the bankers, which is crucial to success of a credit-based self-employment programme.

3.18 While sharing the concern of the Government in ensuring a satisfactory position of recovery of loans advanced under SGSY, the Committee feel that the decision of the Government to debar Panchayats and intermediate Panchayats registering less than 80% recovery from SGSY w.e.f. from 1.1.2001 is too harsh to be taken at this juncture. The Committee recommend that this decision may be deferred until the trends of recovery under the revised proposals are available.

3.19 The Committee desire that under the restructured programme, the following steps be taken to improve the attitude of banks towards the implementation of the programme:

(a) the genuine beneficiaries are helped in completing the requisite formalities for getting the loan from banks.

(b) only the genuine beneficiaries approved by the Gram Sabhas and other authorised local bodies as are eligible under the guidelines should get the loan from the banks;

(c) the loan is sanctioned for viable projects;

(d) maximum loan as per the guidelines is advanced;

(e) the applications are disposed of within a specified time; while rejecting an application, the beneficiary is explained the reasons for the rejection of his/her application; and

(f) the number of rejection of applications of beneficiaries on flimsy grounds like incomplete forms etc. is reduced to the minimum.

(ii) Jawahar Gram Samridhi Yojana

Demand No. 70

Major Head 2505

Objective

3.20 Jawahar Gram Samridhi Yojana (JGSY) is the restructured, streamlined and comprehensive version of the erstwhile Jawahar Rozgar Yojana. Designed to improve the quality of life of the poor, JGSY has been launched on 1st April, 1999. The primary objective of the JGSY is creation of demand driven community village infrastructure including durable assets at the village level and assets to enable the rural poor to increase the opportunities for sustained employment. The secondary objective is the generation of supplementary employment for the unemployed poor in the rural areas. The wage employment under the programme shall be given to Below Poverty Line (BPL) families.

Scope

3.21 JGSY is being implemented entirely at the Village Panchayat level. Village Panchayat is the sole authority for preparation of the Annual Plan and its implementation.

Funding

3.22 The programme will be implemented as a centrally sponsored scheme on cost sharing basis between the Centre and the State in the ratio of 75:25. In the case of Union Territories, 100 per cent expenditure will be met by the Centre.

Strategy

3.23 The Programme is to be implemented by Village Panchayats with the approval of the Gram Sabha. Village Panchayats will have the power to execute the schemes upto Rs. 50,000/- with the approval of Gram Sabha. No other administrative or technical approval will be required. For works/schemes costing more than Rs. 50,000/-, after taking the approval of the Gram Sabha, the Village Panchayats shall seek the technical/administrative approval of appropriate authorities. Panchayats may spend upto a maximum of 15 per cent of allocation on maintenance of assets created under the programme within its geographical boundary. 22.5 per cent of JGSY funds have been earmarked for individual beneficiary schemes for SCs/STs. 3 per cent of annual allocation would be utilised for creation of barrier-free infrastructure for the disabled. The funds to the Village Panchayats will be allocated on the basis of population. The upper ceiling of 10,000 population has been removed.

3.24 **Performance of JRY during 1998-99**

Financial Achievement

	(Rs. in crore)
Central allocation	2078.44
Outlay released	2050.96
Total available funds (including OB and State share)	3037.26
Utilisation percentage of utilisation	83.5%

3.25 **Physical Achievement (Employment generation)**

	Million Mandays
Target	396.65
Achievement	376.62

Performance during 1999-2000

	(Rs. in crore)
Budget provision	2095
Revised Estimates	1689
Outlay released (upto 31.1.2000)	815.26
Total available funds (including OB as well as State share)	1542.74
Utilisation of funds (upto 30.11.1999)	855.34
(upto 31.3.2000)	1686.45
Percentage of utilisation of available funds upto 30.11.1999	55.44

Physical Achievement

No. of works completed (as on 30.11.1999)	—	2.23 lakhs
Employment generation (as on 30.11.1999)	—	122.89 million mandays

3.26 When asked about the reason for poor performance of the programme, the Government in their written reply have stated as below:—

> "JRY was primarily a wage employment programme with the additional objective of creating durable assets in the process. It was felt that a stage has been reached when primary needed to be accorded to the development of village infrastructure due to its critical importance in the development of village economy, thereby creating sustainable opportunities for employment and improving the standard of living of the rural poor.
>
> It was also recognised that the rural infrastructure can be effectively developed through effective participation of the people and by empowering the Panchayats at the village level with adequate financial autonomy. Accordingly, JRY has been restructured as JGSY with the objective of making it infrastructure-oriented. The new features of JGSY include the autonomy vested in the Gram Panchayat to undertake infrastructure works (without seeking external approval) upto an amount of Rs. 50,000."

Planning and Execution

3.27 Each Village Panchayat is required to prepare, before the commencement of financial year, an Annual Action Plan equivalent in value of 125% of its share of funds allocated in the preceding year. No work can be taken up under JGSY unless it forms part of the Annual Action Plan. The Annual Action Plan prepared by the village panchayats is to be throughly discussed in the Gram Sabha for the purpose of according approval thereto. The village panchayats have been empowered to execute works/schemes upto Rs. 50,000/- with the approval of Gram Sabha. In view of the fact that providing supplementary wage employment to the rural poor is the secondary objective of the programme, the wage material ratio has been allowed to be relaxed suitably so as to enable building of demand driven rural infrastructure.

3.28 The Committee feel that the fixation of 15% as ceiling on maintenance of assets will hamstring the PRIs from functioning with desirable autonomy based on ground situation. The Committee therefore call for the removal of this ceiling and for vestment of sufficient financial autonomy and flexibility to PRIs to decide the percentages of expenditure on various components of the scheme for added efficacy and operational flexibility. Moreover, the Committee view with the deepest concern Government's intention of placing the entire burden of the cost of maintenance of JGSY assets on the village Panchayats without first ensuring the sound finances of the Panchayats. A nexus must be established between the financial burden of Panchayats and their capacity to pay.

3.29 The Committee are concerned to note the drastic reduction in the employment generation from 376.62 million mandays during 1998-99 to 122.89 million mandays during 1999-2000 (November 1999). They feel that the relegation of wage employment to the level of secondary objective of the JGSY next only to the objective of building rural infrastructure has resulted in considerable decline in providing employment to the rural unemployed which surely would have had a deleterious effect on the improvement of economic standards of the rural masses. The Committee are not in conflict with the Government's efforts towards rural infrastructure building. However, they are of the opinion that wage employment and the absorption of the rural unemployed and under-employed in economic activities are key objectives in themselves and can be linked to building a viable rural infrastructure as indeed they were under the earlier JRY.

3.30 The Committee are also concerned that the distinction between income generation and infrastructure creation, which has characterised poverty alleviation programmes since their inception, has been blurred in the restructured JGSY. They urge that the focus on JGSY be on income generation through wage employment and the focus on SGSY be on infrastructure creation. Through self-employment, the Committee note with satisfaction that an attempt has been made to democratise the functional responsibility of SGSY and JGSY by interconnecting the implementation of the former to the intermediate Panchayats and the latter to the village Panchayats. The Committee urge that similar exercises be carried out for the other programmes of the Ministry to avoid needless overlapping and duplication between different tiers of the Panchayati Raj System.

(iii) Employment Assurance Scheme

Demand No. 70

Major Head 2505

Objective

3.31 The Employment Assurance Scheme (EAS) aims at providing wage employment in unskilled manual works to the rural poor who are in need of employment and seeking it. The secondary objective is to create economic infrastructure and community assets for sustained employment and development.

Scope

3.32 The Scheme is the single wage employment programme to be implemented at the district/block level throughout the country. Special priority would be given to areas suffering from endemic labour exodus. All the able bodied adult poor, with a maximum of two per family, who need and seek wage employment during the lean agricultural season would be the beneficiaries.

Funding

3.33 The resources under the scheme would be shared between the Centre and States in the ratio of 75:25 respectively.

Strategy

3.34 The Employment Assurance Scheme is being restructured on the following lines:

(i) the funds to the State will be allocated in accordance with the criteria to be decided by the Government/National Development Council from time to time and also to the districts on the index of backwardness evolved at the Centre.

(ii) seventy percent of funds flowing to the districts would be allocated to the blocks and 30% reserved at the district level to be utilised in the areas of distress.

(iii) the selection of works would be decided by Zila Parishads after due consultations with MPs of the area.

(iv) in the absence of elected bodies, a Committee comprising local MPs and MLAs and other elected representatives would be constituted for selection of works.

(v) the funds would flow to the District Rural Development Agencies (DRDAs/Zila Parishads) and would lapse if not utilised, with permission to carry forward only 15 percent as opening balance in the following year.

3.35 **Performance during 1998-99**

(Rs. in crore)

BE 1998-99	1990.00
Released outlay	1988.46
Total availability of funds (including OB, Central and State share)	3357.81
Utilisation	2819.77 (83.98%)

The employment generation was 415.17 million mandays.

3.36 **Performance during 1999-2000**

(Rs. in crore)

BE 1999-2000	1700.00
RE	2040.00
Outlay released upto 31.1.2000	2288.55
Fund released to States/UTs upto 31.1.2000	1301.93
BE 2000-2001	1300.00

Employment generated upto 31.12.1999, was 147.30 million mandays.

3.37 It has been mentiond in the Performance Budget that as a result of restructuring of various rural development programmes/schemes, the Central allocation under the JGSY was revised to Rs. 1665 crore at the beginning of last financial year (*i.e.* in May 1999). Out of 430 crore taken out from JGSY, Rs. 340 crore were transferred to EAS.

3.38 As per the written note of the Government, with restructuring of the scheme with effect from 1.4.1999, Watershed Development Programme would no longer be a component under Employment Assurance Scheme. The programme was therefore delinked from EAS and transferred to the Department of Land Resources with effect from the above date. However, since a budget head was not provided for Watershed Development Programme in the current financial year, it was decided to release funds for completion of on-going watershed projects under EAS from the funds allocated for EAS. From the year 2000-2001, a separate budget head will be operated by the Department of Land Resources.

3.39 As per the allocation of the Department of Land Resources, Rs. 350 crore has been allocated for the watershed component of EAS during 2000-2001.

3.40 The Committee observe that even if Rs. 350 crore (allocated for watershed component of EAS to the Department of Land Resources) are added to BE 2000-2001, the total allocation comes to Rs. 1650 crore which is much less than the outlay released during 1999-2000 *i.e.* 2288.55 crore. They are concerned to note the sharp decline in the outlay and urge that adequate allocation should be made under EAS to achieve the set objectives.

3.41 The Committee are concerned to note the dismal performance of the programme during 1999-2000. Only 55% of the outlay could be utilised during that year resulting in decline in employment generation which was less than 40% of what was achieved during 1998-99. The decline in EAS, when viewed in conjunction with the drastic fall in JGSY/SGSY employment generation and the virtual stagnation in agricultural output, would point to a serious rise in the poverty ratio during 1999-2000. The under-utilisation becomes highly conspicuous when the Government transferred Rs. 430 crore from JGSY on *ad hoc* basis. The Committee take serious view of non-utilisation of funds under the programme alongwith the abysmal physical achievement and desire that the Government should furnish a detailed analysis of the reasons for the shortfall as well as formulate a cogent strategy to obviate underspending and underachievement in physical targets.

3.42 With EAS having emerged as the single-most important wage employment generation programme of the Central Government, covering all parts of the country and all sections of the poor in search of work, the Committee urge that the question of financial allocation, targets and institutional mechanism be reviewed at the highest level by the Government and the Planning Commission, in consultation with State Governments and others concerned, so as to assist, direct and prioritise EAS in keeping with the requirements of the most needy people of this country.

(iv) National Social Assistance Programme

Demand No. 70
Major Head: 2235

Funding

3.43 The NSAP is a centrally sponsored programme to extend 100 percent Central assistance to the States/Union Territories to provide benefit under it in accordance with the norms, guidelines and conditions laid down by the Central Government.

Component of NSAP

3.44 **National Old Age Pension Scheme:** Rs. 75 per month to persons of 65 years and above who have no regular means of subsistence from his/her own sources of income or through financial support from family members or other sources.

National Family Benefit Scheme: Lumpsum benefit of Rs. 10,000 on the death (natural death or accidental death) of the primary breadwinner of the family living below poverty line.

National Maternity Benefit Scheme: Lumpsum assistance of Rs. 500 per pregnancy upto the first two live births to women belonging to households below poverty line.

(Rs. in crore)

BE 1998-99	700.00
RE 1998-99	640.00
BE 1999-2000	725.00
RE 1999-2000	710.00
Funds released (upto 31st January, 2000)	637.86
BE 2000-2001	715.00

Year	Numerical Ceiling	Qualifying Financial Entitlement
	All India Old Age Pension Scheme	
1998-99	4865100	45685.24
1999-2000	5209427	47623.58
	Family Benefit Scheme	
1998-99	273000	22037.14
1999-2000	222744	19803.37
	Maternity Benefit Scheme	
1998-99	2571950	9259.27
1999-2000	1208800	9278.142

3.45 When asked about the reason for decreased numerical ceiling under the Family Benefit Scheme it has been submitted by the Government that the financial benefit under Family Benefit Scheme was enhanced from Rs. 5000 to Rs. 10,000. Similarly, Financial benefit under Maternity Benefit Scheme was enhanced from Rs. 300 to Rs. 500. This resulted in reduction of numerical ceiling under the two schemes as the enhancement in the allocation was not sufficient to enable augmentation of numerical ceiling.

The requirement of funds during 2000-2001

3.46 The requirement of funds for NSAP during 2000-2001 is Rs. 1611.23 crore as per the prescribed formula for deciding numerical ceiling for the three schemes. However, in view of the past performance of the States as a whole, the demand for funds was restricted to Rs. 1000 crore. The funds actually allocated for 2000-2001 are Rs. 715 crore. As compared to 1998-99, when Rs. 640 crore were utilised for three schemes of NSAP, during 1999-2000, Rs. 710 crore have been released which is Rs. 70 crore more than the budget for the previous year.

3.47 The Committee are concerned to note the reduction of outlay under NSAP at RE stage during 1998-99. They further note that the outlay during 2000-2001 has been increased from Rs. 710 crore during the previous year to Rs. 715 crore *i.e.* by Rs. 5 crore only whereas the requirement of funds has been indicated as Rs. 1611.23 crore as per the prescribed formula of deciding numercial ceiling for the three schemes. They are unhappy to note the way the Government have justified the outlay during 2000-2001 which is less than 50% of the required allocation on the ground of the poor performance of States in the past. They strongly disapprove the way the Government have tried to justify the reduced allocation instead of taking corrective steps to improve the implementation of the scheme.

3.48 They recommend that the Government should analyse the performance under the three components of the scheme and take necessary steps to improve the implementation. Besides it is also urged that substantial allocation should be made for the components of the scheme so that the poorest of the poor are not deprived of the assistance provided under the schemes.

3.49 **Physical Progress during 1999-2000**

(All India)

NOAPS	
Target	5596161
Achievement	4631945
NFBS	
Target	190112
Achievement	124664
NMBS	
Target	1781403
Achievement	771701

3.50 When asked about the reasons for very poor performance under NMBS, it has been stated in the written note that the National Maternity benefit Scheme (NMBS) is being implemented in a number of States by the Health Department or the Department of Women and Child. The implementing agency in the State for NOAPS and NFBS on the other hand in most cases is the Social Welfare Department. There appears to be lack of coordination right upto the field level. This issue was taken up with the State Governments and the position has improved. It may be noted that the amount spent on NMBS has increased from Rs. 56.66 crore at the RE stage during 1998-99 to Rs. 67.38 crore at the RE stage in 1999-2000.

Role of Nodal Authority

3.51 At the state level, the NSAP is implemented by the Social Welfare Department or Women & Child Development. At the District level, the District Collector or the other officer given the nodal responsibility of implementing the NSAP, is responsible for:

(i) Efficient implementation of the Programme as per Guidelines and procedures instituted;

(ii) Giving wide publicity to the schemes and their procedures instituted;

(iii) Convening meetings regularly of District Level Committee;

(iv) Monitoring and compiling information in respect of three scheme;

(v) Checking the delay and malpractice in processing application; and

(vi) Disbursement of the benefit to the beneficiaries.

3.52 The District Collector/Sanctioning Authority will be responsible for arranging the payment of the benefit to the beneficiaries. Central assistance under NOAPS, NFBS and NMBS may be preferably disbursed in public meetings, such as Gram Sabha meetings in the rural areas and neighbourhood/mohalla committees in urban areas.

3.53 The Panchayats/Municipalities will be responsible for implementing the schemes in their respective areas of operation and for disseminating information about the procedures for obtaining benefits under it. The Panchayats/Municipalities are expected to play an active role in identification of beneficaries. In this task, they should encourage and involve the cooperation of voluntary organization.

3.54 The Committee observe that whereas the District Collector has been given the nodal responsibility of implementing NSAP, the responsibility for implementing the schemes in their respective areas has been entrusted to Village Panchayats. They fail to understand this contradiction and wonder as to how the coordination between the two different authorities, *i.e.* the District Collector and Village Panchayat would be maintained. As admitted by the Government, the poor coordination between the two agencies is the main reason for poor implementation of NMBS. In view of these circumstances, the Committee recommend that there should be no ambiguity in vestment of responsibility regarding the implementation of the scheme and PRIs and Municipalities should alone be entrusted the responsibility of implementing NSAP as it is a people's programme which can be best understood by elected local bodies.

(v) Annapurna

Demand No. 70

Major Head: 2235

3.55 The Finance Minister in his Budget Speech for the year 1999-2000 had announced the launching of a new scheme "Annapurna" to provide food security to those indigent senior citizens who are not covered under the targeted Public Distribution System (PDS) and who have no income of their own and none to take care of them in the village. "Annapurna" will provide 10 kg. of foodgrains per month free of cost to all such persons who are eligible for old age pension but are presently not receiving it and whose children are not residing in the same village. The number of persons benefitting from the scheme are not for the present to exceed 20% of the old age pensioners within the State. The Gram Panchayats would be required to identify, prepare and display a list of such persons after giving wide publicity.

3.56 The Ministry of Rural Development is the nodal Ministry for implementing "Annapurna" Scheme which aims at providing food security to indigent senior citizens who have no income of their own and none to take care of them in the villages. The scheme envisages provision of 10 kg of foodgrains per month, free of cost, to over 13 lakh senior citizens who are eligible for old age pension but are at present not receiving it. The Gram Panchayats would identify, prepare and display a list of such persons after giving wide publicity. An allocation of Rs. 100 crore has been earmarked for the Scheme for the year 2000-2001.

3.57 The Committee express their apprehensions about the quality of foodgrains that would be supplied to senior citizens under Annapurna. Supply of foodgrains directly to the beneficiaries requires excessive and multi-faceted monitoring adding to the burden of the implementing agencies. They therefore, recommend that instead of launching this new scheme, the scope of already existing scheme *i.e.* NOAPs should be enlarged further by providing old age pension to such persons who are eligible for it but are not receiving it at present. They also recommend that the Government should consider to increase the amount of pension under NOAPs.

CHAPTER IV

HOUSING SCHEMES

(i) Indira Awaas Yojana

Demand No. 70

Major Head 2216

Objective

4.1 The objective of Indira Awaas Yojana (IAY) is primarily to help construction of new dwelling units as well as conversion of unserviceable Kutcha houses into pucca/semi pucca by member of Scheduled Castes/Scheduled Tribes, freed bonded labourers and also non-SC/ST rural poor below the poverty line by extending them grant-in-aid.

Scope

4.2 IAY is a beneficiary-oriented programme aimed at providing houses for BPL SC/ST and other households who are shelterless or reside in unserviceable kuccha houses. Its scope has been exapnded to conversion of unserviceable Kutcha houses into pucca/semi pucca houses with effect from 1st April, 1999.

Funding

4.3 Indira Awaas Yojana is a Centrally sponsored scheme funded on cost-sharing basis between the Government of India and the States in the ratio of 75:25. In case of Union Territories, the entire resources under this scheme are provided by the Government of India. Previously the funding pattern between Centre and State was 80:20. When asked for the reasons for the increase in States' share, it has been stated by the Government in the written note that in accordance with the Cabinet decision to have a uniform pattern of fund-sharing between the Centres and States for all schemes of the Ministry of Rural Development, the Central share under Indira Awaas Yojana was reduced from 80:20 to 75:25 ratio *w.e.f.* 1.4.1999.

Strategy

4.4 Grant of Rs. 20000/- per unit is provided in the plain areas and Rs. 22000/- in hilly/difficult areas for construction of a house. For conversion of a Kutcha house into pucca/semi pucca house, Rs. 10,000/- is provided. Sanitary latrine and smokeless chulha are integral part of the house. In construction/upgradation of a house, cost effective and environment friendly technologies, materials, designs are encouraged. The house should be allotted in the name of female member of beneficiary household, alternatively it can be allotted in joint names of both husband and wife.

4.5 **Financial Achievement (Indira Awaas Yojana)**

Year	Allocation (RE)	Releases	%age of Financial Achievement
1997-98	1143.75	1143.75	100%
1998-99	1532.00	1532.00	100%
1999-2000	1659.00	1351.98	81.49%*
BE 2000-2001	1710.00		

4.6 **Physical Achievement (Indira Awaas Yojana)**

Year	Target	Achievement	%age of Financial Achievement
1997-98	718326	770936	107.32%
1998-99	987466	834528	84.51%
1999-2000	1271619	418930 (Constructed)+ 410313 (under construction)	65.21%

* As per latest report available

4.7 Physical and Financial progress since 1985 to 1999-2000

Year	Expenditure (Rs. in Cr.)	No. of houses built
1985-86	57.93	51252
1986-87	149.18	160197
1987-88	235.37	169302
1988-89	149.65	139192
1989-90	188.50	186023
1990-91	213.07	181800
1991-92	263.01	207299
1992-93	238.84	192585
1993-94	481.00	372535
1994-95	500.38	390482
1995-96	1166.36	863889
1996-97	1385.92	806290
1997-98	1596.44	767649
1998-99	1803.88	835770
1999-2000 (till 31.12.1999)	972.64	450014
Total	9402.64	5774279

4.8 As per Performance Budget, the Government have recognized shelter as a basic human requirement which needs to be tackled on priority basis and have recently announced a National housing and Habitat Policy, 1998 which aims at providing 'Housing For All' and facilitating construction of 20 lakh additional housing units including 13 lakh additional houses in rural areas — annually with an emphasis on extending benefits to the poor and the deprived. To achieve the goal, an Action Plan for construction of additional 13 lakh houses in rural areas was prepared and the same has been approved by the Cabinet.

4.9 The Committee note that there has been virtual stagnation in the number of houses built since 1995-96, followed by a precipitious decline during 1999-2000. The Committee also note the worsening of the ratio of financial outlay to physical achievement which has resulted in virtually the same number of houses being built in 1998-99 as in 1995-96, but at nearly 50% higher financial outlay. They fail to understand how the target of providing 13 lakh houses annually in rural areas would be achieved with the poor trends of physical performance thus far. They, therefore, strongly recommend that financial outlays be increased, administrative and institutional mechanism vastly improved, and better technology be introduced to substantially reduce the unit cost of housing.

4.10 While noting the revised funding pattern *i.e.* sharing between Centre and States in the ratio of 75:25 as compared to the previous ratio of 80:20, the Committee hope that State Governments have been consulted before taking decision and that their share would be forthcoming without any difficulty.

(ii) Credit-cum-Subsidy Scheme for Rural Housing

4.11 The Credit-cum-Subsidy Scheme for Rural Housing was launched with effect from April 1, 1999. The scheme targets rural families having annual income upto Rs. 32,000. While subsidy is restricted to Rs. 10,000, the maximum loan amount that can be availed of is Rs. 40,000. The subsidy portion is shared by the Centre and the States in the ratio of 75:25. The loan portion is to be disbursed by the commercial banks, housing finance institutions etc. During 1999-2000 financial year, a provision of Rs. 100 crore BE has been kept under this scheme for the construction of 1.33 lakh houses. The first instalment totaling Rs. 46.77 crore had already been released to the States of Andhra Pradesh, Assam, Bihar, Goa, Haryana, Himachal Pradesh, Karnataka, Kerala, Madhya Pradesh, Punjab, Tamil Nadu, Tripura, Uttar Pradesh, West bengal and Orissa to implement the scheme.

(iii) Samagra Awaas Yojana

4.12 Samagra Awaas Yojana is a comprehensive housing scheme launched recently with a view to ensure integrated provision of shelter, sanitation and drinking water. It has been decided to take up Samagra Awaas Yojana on pilot basis in one block in each of 25 districts spread over 24 States and one Union Territory which have been identified for

implementing the participatory approach under the Acclerated Rural Water Supply Programme. The existing schemes of housing, drinking water and sanitation will follow the normal funding pattern. Howerver, a special central assistance of Rs. 25 lakh will be provided for each block for undertaking overall habitat development and IEC work with 10 percent contribution coming from the people. So far an amount of Rs. 145 lakh has been released, *i.e.* Rs. 25 lakh each to Himachal Pradesh, Karnataka, Kerala, Tamil Nadu and Madhya Pradesh, and Rs. 20 lakh to West Bengal.

4.13 The Committee fail to understand the reasons behind launching of the new Centrally sponsored schemes *i.e.* Samagra Awaas Yojana (SAY) and Credit-cum-Subsidy in a situation where a comprehensive Yojana *i.e.* Indira Awaas Yojana for the same purpose already exists. They note that with multiplication of schemes, there are chances of overlapping and problems of coordination. In view of it they urge that more funds should be provided under IAY and the scope of the scheme should further be strengthened in conjunction with the drinking water and rural sanitation programme. Further, Government should consider increasing the amount of allocation per beneficiary under the scheme. Besides the Committee feel that much greater attention needs to be paid to the repairing/ rebuilding of houses built under earlier IAY.

(iv) Equity Support to HUDCO

4.14 As per Performance Budget, it has been decided to increase the equity support to HUDCO from Rs. 5 crore to Rs. 355 crore during Ninth Plan Period. It has been submitted in the written note that it is proposed to release Rs. 100 crores to HUDCO towards Equity Support under Rural Housing during 2000-2001.

4.15 When asked about the planning on the part of the Government to utilise Rs. 355 crore during Ninth Plan it has been submitted by the Government that this amount would be utilised by HUDCO to leverage funds from the Capital market to finance EWS and LIG housing needs in the rural areas. Provision of equity to HUDCO by the Ministry of Rural Development has been an important step taken to improve the outreach of Institutional housing finance in the rural areas.

Sanctioned Assistance	(Lakh houses)
1997-98	3.8
1998-99	9.8

4.16 When asked about the number of houses for which assistance has been provided during 1999-2000, it has been submitted by the Government in the written note that during 1999-2000, a target of constructing/upgrading of 1271618 houses has been set and as per latest available reports, 552947 houses have been constructed/upgraded and another 410396 houses were under progress. Out of this, 246254, 124715 and 181978 houses were constructed for SCs, STs and other BPL category respectively.

4.17 While appreciating the steps taken by the Government to enhance the equity support to HUDCO under rural housing from Rs. 5 crore to Rs. 355 crore during 9th Five Year Plan, the Committee hope that the set targets for the year 1999-2000 would have been achieved by now. The Committee would also like to be apprised about the targets fixed for the year 2000-2001.

CHAPTER V

OTHER SCHEMES

(i) DRDA Administration

Demand No. 70

Objective

5.1 The objective of the scheme of DRDA Administration is to strengthen the DRDAs and to make them more professional and effective. Under this scheme, DRDA is visualised as specialised agency capable of managing anti-poverty programmes of the Ministry on the one hand and to effectively relate these to the overall efforts of poverty eradication in the district on the other.

Funding

5.2 The funding pattern of the programme will be in the ratio of 75:25 between the Centre and the States.

Performance During 1999-2000

5.3 As the Scheme was launched during year 1999-200, no budgetary provision was available for the Scheme in B.E. 1999-2000, However, the Department advised the State Governments that till such time the funds were provided and released under the Scheme, the concerned DRDAs might draw up the funds available with them under Swaranjayanti Gram Swarozgar Yojana (SGSY) and ensure that the DRDA did not spend from SGSY funds more than 50% of the amount admissible to them under the scheme of DRDA Administration.

5.4 In order to meet the balance 50% requirement of DRDAs, a provision of Rs. 110 crore was made in R.E. 1999-2000. These funds have been fully released to the implementing agencies till 31st January, 2000.

An outlay of Rs. 220.00 crore has been approved for the scheme for 2000-2001.

5.5 The Committee would like to know about the impact of the scheme of 'Strengthening of DRDA Administration' on various rural developmental activities. In particular, the Committee desire that, bearing in mind article 243 G of the Constitution, the bureaucratic overload of DRDAs be seriously reconsidered and an earnest effort made to merge the function of the DRDAs with the district Panchayats. The Committee feel that DRDAs are administrative arrangements existing before the insertion of Part IX in the Constitution and with the giving effect to Part IX of the Constitution, DRDAs need to be democratised and rooted in the Panchayati Raj System.

The Role of Members of Parliament in DRDA

5.6 When asked whether Members of Parliament shall also be the Chairman of DRDAs it has been clarified by the Government that the question of affording an increased role to local Members of Parliament in the functioning of the District Rural Development Agencies (DRDAs) is under active consideration.

5.7 While noting the reply of the Government on the issue of increased role of the local MPs in the functioning of DRDAs, the Committee hope that the decision in this regard will be taken expeditiously and they should be apprised accordingly.

(ii) Training

Budget Estimates in respect of National Institute of Rural Development, State Institutes for training in rural development and extension training centres

	BE 1999-2000	BE 2000-2001
NIRD	5.00	5.00
SIRD	4.25	7.25
ETC	3.00	3.00
Organisation of Training Courses, Seminar and Workshop	1.25	1.25

5.8 When asked whether the funds allocated during 2000-2001 for training to the different Institutes are sufficient to impart training to meet the challenges before the Department, it has been submitted by the Government in the written reply that all the four schemes of Training are, basically, demand driven in nature. The demands from the States under the schemes of State Institute of Rural Development (SIRD) & Extension Training Centre (ETC) are for their recurring expenditure as well as for the development of their infrastructure. An amount of Rs. 16.50 crore outlay was approved against the proposed amount of Rs. 19.64 crore for annual plan 2000-2001, as indicated below:—

(Rs. in crores)

Sl.No.	Scheme	Amount proposed	Outlay approved
1.	NIRD	7.39	5.00
2.	SIRD	7.00	7.25
3.	ETC	4.00	3.00
4.	OTC	1.25	1.25
	Total	19.64	16.50

5.9 When asked about the number of elected functionaries at different levels of Panchayati Raj administration who have been imparted training so far, it has been submitted that under the four schemes of Training, funds are released to the Training Institutions to meet their recurring expenditure to the extent of 50% in case of SIRDs and 100% (subject to a ceiling of Rs. 5.00 lakh per annum per ETC) in the cases of ETCs. In addition, under non-recurring expenditure the central assistance is 100%.

5.10 The Central Assistance is provided to the Institutes which are basically meant for the training of rural development functionaries involved in the implementation of various rural development programmes of this Ministry. In addition, some of these Institutes impart training to the elected members of Panchayati Raj Institutions wherever required. However, the information relating to the number of trained elected functionaries of PRIs under these four schemes is not maintained.

5.11 When asked how the co-ordination amongst the different Institutes at Centre and State level *i.e.* NIRD, SIRD, ETC and Organisation of Training Courses, Seminar etc. is being ensured by the Government, it has been replied that the National Institute of Rural Development is the apex institute of the Ministry of Rural Development for the training and research of the rural development functionaries. There are State Institutes of Rural Development (SIRDs) at State level in each State (except Goa and Mizoram where SIRDs are not yet functional). The ETCs exist at district or sub-district level and are responsible for the training of grass-root level functionaries. The NIRD is consulted for central releases to SIRDs and ETCs for recurring and non-recurring expenditure.

5.12 The NIRD being an apex institute at national level has wide linkages with the SIRDs and ETCs etc. The NIRD organises Annual Colloquium to review the progress of SIRDs. Further, in most States, SIRDs are expected to monitor and review the performance of the ETCs. OTC scheme is mainly for organizing training courses, seminars and workshops on topics related to the schemes of this Ministry. OTC is basically an additional arrangement for conducting training courses, seminars and workshops on Rural Development programmes with the help of Government Institutions, other well-known national level institutions as well as by local bodies and non-governmental organisations for identified group of functionaries on issues relevant to the Ministry of Rural Development.

(iii) Panchayati Raj

(a) Training Scheme for Panchayati Raj functionaries

Grant-in-aid	**(Rs. in crore)**
BE 1999-2000	3
BE 2000-2001	3

5.13 It has been submitted by the Government in the written note that the Orientation training programmes for elected representatives of Panchayati Raj Institutions (PRIs) is primarily the concern of the State Governments and Union Territory Administrations. Accordingly, States/ UTs are imparting training to the elected representatives of the PRIs. Besides, Voluntary and Community Based Organizations are also organizing orientation training for the members of Panchayats. The Central Government have been providing limited financial resources to the State/ Union Territories with a view to improve the quality of the training programmes, to catalyse capacity-building initiatives and make substantive indepth research into the status and role of panchayats.

5.14 Out of Rs. 3 crore allocated under the scheme of Panchayat Development and Training, Rs. 1 crore has been earmark or research/studies on Panchayati Raj through reputed non-govermental organizations/Institutions and Rs. 2 crore have been earmarked as financial assistance to the States/UTs for imparting training to the representatives of Panchayats. The present allocation is sufficient to meet the requirement. Moreover, a large Centrally Sponsored Scheme for training of functioning PRIs would centralize training and choke initiatives at State and grass-root level, which would then create a spirit of dependency and would be contrary to the spirit of decentralization envisaged in the Constitution (73rd Amendment) Act, 1992.

5.15 **The Committee appreciate the point that training of functionaries of Panchayati Raj Institutions is a prerequisite for effective implementation of various programmes. Despite the reasonable financial support extended by the Centre for the Apex Institutions for training, the overall picture as relates to training of functionaries of PRIs seems to be totally unsatisfactory. The Committee, therefore, call upon the Government to commission an in-depth study into the requirement of training as well as into the deficiencies in the system of training so that guidelines are evolved for imparting better training as well as for effectively linking training to field performance.**

(b) Implementation of Constitution 73rd Amendment Act

5.16 Part IX of the Constitution dealing with the Panchayats was enacted in December 1992. The President's assent was obtained in April 1993 and all States were required within a year to amend their respective State Panchayati Raj laws or enact new laws to bring them in conformity with the new Constitutional provisions. Thus the Constitutional provisions came into full effect six years ago, and most of the States have held at least one round of elections to the local bodies under the provisions of Part IX.

5.17 While fully respecting the fact of Panchayati Raj being a State subject under Schedule VII of the Constitution, and keeping in view the responsibilities vested specifically in the State Legislatures and State Governments by the different provisions of Part IX and Part IXA, the Committee stress with all the force at their command that the responsibility for ensuring the

implementation of the Constitutional provisions rests primarily on the Central Government. Moreover, even where the legal responsibility vests in State Governments, the Central Government has the key responsibility for monitoring implementation, exercising its' powers of persuasion, keeping track of departures from the letter or spirit of the Constitution, ensuring correction, and implementing the Panchayats (Extension to Scheduled Areas) Act, 1996, passed by Parliament in response to the Constitutional directive contained in Article @43. This means the Department of Rural Development has to play a proactive role in pushing for the full realisation, in **letter** and spirit, of the Constitutional provisions.

5.18 **There does not however seem to be adequate appreciation of the fundamental need to base the programmes of the Department** in **the Panchayati Raj Institutions (PR1s) established through the Constitution. The obsolete mindset is betrayed by the use of obsolete terms to describe PRIs both in the Annual Report of the Ministry and the Performance Budget of the Department, such as, for example, the terms 'Panchayat Samiti' have been used in lieu of 'Intermediate Panchayat'.**

5.19. The Committee urge that the Department, in **their organisation of work, and in their monitoring and reporting of the work of the Department to Parliament and to others concerned, firmly anchor the implementation of the Constitutional provisions as the centre-piece and foundation of all their activities. What the Ministry must particularly guard against is the bureaucratisation of Panchayati Raj. It is also incumbent on the Ministry to ensure that PRIs and the District Planning Committee are used to the full wherever any central or centrally-sponsored scheme relates to any subject listed in Eleventh Schedule of the Constitution. The Committee note from the Annual Report (Chapter 2) that two key conferences were organised by the Ministry on 2.8.97 and 13.5.98. Directions for the implementation of a Seven Point minimal package to observe the Year of the Gram Sabha (1999-2000) were also circulated to all concerned on 17.3.99. It** is **a sad commentary on the seriousness with which the recommendations of the two conferences are being followed-up, and the implementation of the minimal Seven-Point Gram Sabha programme is being monitored, that neither in the Annual Report nor in the evidence tendered before the Committee was any attempt made by the Department to assess and analyse the implementation of Panchayati Raj in the country.**

5.20 The Committee are concerned to note that whereas the primary responsibility for monitoring the implementation of the Panchayats (Extension to Scheduled Areas) Act, 1996 vests in the Ministry, and certain problems in this regard have been identified in the Annual Report, the Committee have not been informed of the steps proposed to be taken to resolve these problems and the time- frame within which this is sought to be accomplished.

5.21 The Committee would also wish to stress that in those States/ regions of the country which are exempted from the provisions of Part IX, the Ministry must keep a close watch on how the legally authorised local bodies are faring and extend to them such assistance as they might require. This also applies to such States/regions where for whatever reason, elected local bodies are not functional.

(iv) Council for Advancement of People's Action and Rural Technology (CAPART)

5.22 As per the written note furnished by the Government, no outlay has been sanctioned by CAPART as audited statement of accounts and the utilisation certificate of the year 1996-97 after remedying the deficiencies/irregularities pointed out in the audit Report for 1995-96 are still going on. In view of the position, it was decided in consultation with the Department of Expenditure that no further release of funds may be made to CAPART and that further release may be made after accounts are set right.

5.23 When asked why such a long time is being taken to set right the accounts of 1995, it has been clarified by them that the accounts for the year 1995-96 were submitted by CAPART to the Principal Director of Audit on 26.6.96. The C&AC had issued the negative certificate on 05.11.1997 for the accounts of 1995-96. The Principal Director of Audit Economic & Services Ministries, New Delhi was requested *vide* D.O. dated 14.1.98 to consider issuing a revised Audit Certificate to CAPART, since CAPA.RT had taken action/proposed to take action to rectify the discrepancies. The Audit had advised on 19.2.98 that all the corrections, modifications, etc., pointed out by them in the negative certificate should be set right and incorporated in the accounts of 1996-97 and they would not change the negative certificate already issued for the year 1995-96. The accounts for the year 1996-97 had been originally submitted for audit on 30.06.1997. The revised accounts for the year 1996-97, after setting right the deficiencies/

larities pointed out in the Audit Report for the year 1995-96 submitted by CAPART to the Principal Director of Audit on 1998. Thereafter, the office of C&AG had deputed a team of rs, to conduct the audit on 18.03.1998. The office of the Principal tor of Audit had issued the Audit Certificate for the year 1996- 29.07.1998.

.24 When asked about the number of NGOs who have been ioned grant by CAPART and the NGOs blacklisted so far, it has stated that 8055 NGOs have been sanctiond grant and 243 NGOs been blacklisted by CAPART.

5.25 On the steps undertaken to bring transparency in the lvement of NGOs in various rural development schemes, CAPART stated as under:

(i) The organisation profile has been revised in which the applicant NGO is expected to furnish eleborate information which help CAPART to make scrutiny of the project proposal more purposeful before any processing is done.

(ii) No scheme is sanctioned without pre-funding appraisal and the approval of the National Standing Committee (NSC) which comprises of eminent persons in the field. Within 3 months of the release of the first instalment, the voluntary organisation has to submit progress of the work in prescribed proforma. Before the second instalment is released, mid-term evaluation is done after completion of the project, the NGO has to submit final progress report and audited statement of accounts. The project before being closed is once again made to undergo an 'end of project' evaluation.

(iii) For sanctioning projects, Regional Committees and National Standing Committees on different subject matters have been formed with predominant representation of the voluntary sector.

(iv) CAPART has constituted a National Standing Committee for monitoring and evaluation of the projects sanctioned by it.

(v) Voluntary agencies are involved in the monitoring process.

(vi) Particulars of projects sanctioned to be exhibited at the project site made mandatory.

(vii) 'CAPART News' incorporates projects sanctioned.

(viii) Communication resource network formed in dissemination of information among NG0s.

(ix) A copy of the Sanction Order sanctioning the project is endorsed to the District Administration/Panchayat.

5.26 The Committee take serious note of the way the accounts are being maintained by CAPART. The Committee would like to be apprised of the detailed procedure followed by CAPART for the internal audit and would like to know the progress made for effecting necessary corrective steps.

5.27 While noting the various steps taken by the Government to bring transparency in the procedure of involving NG0s in the various rural development programmes, the Committee recommend that the credentials of NG0s should be thoroughly verified by CAPART before grants are sanctioned to them. The Committee further recommend that role of NG0s as well as the list of NG0s maintained by CAPART should be thoroughly reviewed. The Committee also'
recommend that NG0s whose genuineness is **attested by MPs should be given due weightage by CAPART for providing grants.**

(v) Rural Roads

5.28 The President's Address to Parliament in October, 1999 indicated, *inter alia,* that a Programme for Rural Connectivity named as Prime Ministers Gramodaya Yojana (PMGY), through construction of all weather roads to connect all villages, would soon be started. The Ministry of Rural Development has been assigned the tasks of effecting 100 percent connectivity to the rural areas and 50 percent of the accruals of the Diesel Cess have been earmarked for this programme for which, as per present estimates, about Rs. 2500 crore per annum are expected to become available.

On being asked when the Department propose to commence the said Centrally sponsored scheme for rural roads, the Government in their written reply have stated as follows:-

"It is proposed to start this Centrally Sponsored Scheme for Rural Roads in the year 2000-2001, and a Cabinet Note is being formulated on the subject."

5.29 The Committee while appreciating the steps taken by the Government in respect of Rural Connectivity, would like to know the details of the programme and hope that the programme will be implemented at the earliest and with all sincerity. They express their apprehension that, as with other restructured programmes of the Department, restructuring might itself lead to unconscionable delays. This must be avoided and implementation should begin in right earnest as soon as possible during the current financial year.

NEW DELHI;
20 *April,* 2000
31 Chaitra, 1922 (Saka)

ANANT GANGARAM GEETE

Chairman,
Standing Committee on Urban and Rural Development.

APPENDIX—I

Plan outlay, actual expenditure, proposed outlay, outlay as agreed by Planning Commission Budget estimates and revised estimates during 8th and 9th Plans

MINISTRY OF RURAL DEVELOPMENT

(Deptt. of Rural Development)

(Rs. in Crores)

Sl. No.	Name of Scheme	8th Plan		9th Plan		1997-98			1998-99			1999-2000			2000-2001	
		B.E.	Expenditure Incurred	Outlay Proposed to the Plg. Commn.	Outlay Agreed to by the Plg. Commn.	B.E.	R.E.	Actual Expenditure	B.E.	R.E.	Actual Expenditure	B.E.	R.E.	Actual Expenditure (upto 22.3.2000)	Outlay Proposed to the Plg. Commn.	B.E.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1.	Swaran Jayanti Gram Swarozgar Yojana (erstwhile IRDP)	3350.00	2921.06	7194.50	4690.00	571.00	516.00	546.85	740.00	650.94	627.38	1215.00	950.00	618.46	1500.00	1000.00
2.	Development of Women & Children in Rural Areas	150.00	189.54	744.80		65.00	62.00	41.45	100.00	70.00	99.48	—#	0.00	0.00		
3.	Training of Rural Youth for Self-Employment	300.00	85.38	500.00		59.00	46.00	42.33	60.00	50.00	34.32	—#	0.00	0.00		
4.	Supply of Tool Kits	*	0.00	410.00		40.00	36.00	30.82	60.00	50.00	60.00	—#	0.00			
5.	Ganga Kalyan Yojana					200.00	100.00	99.85	0.94	0.00	0.00	—#	0.00			

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
6.	Million Wells Scheme		394.83	10000.00		448.00	373.00	374.00	450.00	375.00	374.99	—#	0.00	0.00		
7.	DRDA Administration				915.00							0.00	110.00	110.00	300.00	220.00
8.	Jawahar Gram Samridhi Yojana (erstwhile JRY)	18400.00	14712.71	32816.00	7095.90	2077.70	1952.70	1951.61	2095.00	2060.00	2062.25	2098.00	1689.00	14.55.25		
9.	Employment Assurance Scheme	@	5242.94	25000.00	8690.00	1970.00	1905.21	1968.27	1990.00	1990.00	1989.88	1700.00	2040.00	1925.87	2750.00	1300.00
10.	Indira Awaas Yojana	**	1232.84	26700.00	7285.00	1190.00	1143.75	1143.55	1600.00	1532.00	1531.92	1710.00	1659.00	1533.87	2450.00	1710.00
11.	Rural Housing	350.00	45.89													
12.	National Social Assistance Programme	@@	933.83	8953.79	3280.00	700.00	490.00	559.41	700.00	640.00	640.11	725.00	710.00	687.90	1000.00	715.00
13.	Annapurna (New Scheme)				596.00										190.00	100.00
14.	Grants to N.I.R.D.	20.00	22.18	75.00	30.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	7.39	5.00
	Strengthening of State Training Centre (S.I.R.D)	15.00	16.12	75.00	15.00	3.25	3.25	4.07	3.25	3.25	4.26	4.25	6.25	4.25	7.00	7.25
16.	Strengthening of Ext. Trg. Centres	10.00	11.76	114.00	15.00	3.00	3.00	3.45	3.00	3.00	1.99	3.00	4.00	3.00	3.50	3.00
17.	Org. of Training Courses, Seminars and Workshops	5.00	1.95	4.00	5.00	0.50	0.50	0.27	0.50	0.50	0.82	1.25	1.25	1.16	1.25	1.25
18.	Assistance to C.A.P.A.R.T.	75.00	43.82	30.00	60.00	12.00	12.00	6.00	12.00	12.00	12.00	13.00	13.00	6.50	29.00	13.00

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
19.	Promotion of Voluntary Scheme	75.00	38.43	60.00	115.00	10.00	10.00	1.55	20.00	20.00	19.54	26.00	13.00	13.00	26.00	13.00
20.	Organisation of beneficiaries	10.00	10.78	15.00	15.97	3.50	3.50	0.50	3.50	3.00	1.75	4.00	4.00	2.00	3.00	4.00
21.	Communication Cell	1.00	14.45	50.00	45.00	4.00	4.00	4.22	4.00	4.00	4.23	10.00	10.00	8.03	15.00	10.00
22.	Panchayat Dev. and Training	10.00	8.79	100.00	10.00	3.00	3.00	3.01	3.00	2.00	1.79	3.00	3.00	2.33	3.00	3.00
23.	Roads in Special Problem Areas	20.00	7.71	8.00	2.00	2.00	2.00	1.02	1.50	0.00	0.00	0.50	0.50	0.50	0.00	0.50
24.	Monitoring Mechanism				5.00				0.50	0.50	0.59	2.00	2.00	1.78	5.00	5.00
25	Agricultural Marketing	150.00	23.49	614.31		7.25	7.25	5.78	7.25	7.25	4.12					
26.	Building for A.A.R.R.O.	5.00	2.02	0.00												
27.	Provision for New Scheme	334.00	0.00	15000.00												
	Total - RD	23280.00	25960.52	128464.40	32869.87	7324.20	6678.16	6792.11	7859.44	7478.44	7476.43	7517.00	7220	6355.90	10440.14	6760.00@@@

* Supply of Tool Kits to Rural Artisans was a Sub-Scheme of IRDP in the 8th Plan.

** Indira Awaas Yojana were part of Jawahar Rozgar Yojana till 1.1.1996.

@ Employment Assurance Scheme was started in the middle of the '8th Plan' *i.e.* from 93-94.

@@ NSAP was not part of the 8th Five Year Plan as the Scheme was launched in the year 1995-96.

@@@ Out of this, 10% funds amounting to Rs. 676.00 crores have been earmarked for North-Eastern Region and Sikkim.

\# Schemes since merged with SGSY w.e.f. 1999-2000.

APPENDIX—II

Non Plan outlay, actual expenditure, proposed outlay, outlay as agreed by Planning Commission budget estimates and revised estimates during 8th and 9th Plans

MINISTRY OF RURAL DEVELOPMENT

(Deptt. of Rural Development)

(Rs. in crores)

Sl. No.	Name of Scheme	8th Plan		9th Plan		1997-98			1998-99			1999-2000			2000-2001	
		B.E.	Expenditure Incurred	Outlay Proposed to the Plg. Commn.	Outlay Agreed to by the Plg. Commn.	B.E.	R.E.	Actual Expenditure	B.E.	R.E.	Actual Expenditure	B.E.	R.E.	Actual Expenditure (upto 22.3.2000)	Outlay Proposed to the Plg. Commn.	B.E.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
	Non-Plan															
1.	Headquarter's Estt. of Deptt. of Rural Development	21.48	20.21		Not applicable to non-plan	5.01	6.30	6.27	7.00	6.85	6.68	9.08	9.02	8.10	Not applicable to non-plan	9.53
2.	Grants of National Institute of Rural Development	13.28	14.08			3.35	4.72	4.72	5.66	5.66	5.66	6.06	7.15	6.06		7.75
3.	Production of Literature for Rural Development	0.92	0.66			0.24	0.23	0.24	0.25	0.27	0.25	0.29	0.29	0.25		0.32
4.	Exhibitions and Trade Fairs	0.10	0.06			0.02	0.02	0.02	0.02	0.00	0.00	0.00	0.00	0.00		0.00

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
5.	Contribution to International Bodies	3.03	3.46			0.75	0.77	0.80	0.86	1.06	0.90	1.15	1.26	0.92		
6.	Agricultural Marketing	4.05	4.18			10.79	13.99	12.41	15.50	15.12	13.86					
	Total-Non-Plan	42.86	42.65			20.16	26.03	24.46	29.29	28.96	27.35	16.58	17.72	15.33		1

APPENDIX III

COMMITTEE ON URBAN AND RURAL DEVELOPMENT (1999-2000)

MINUTES OF THE NINTH SITTING OF THE COMMITTEE HELD ON TUESDAY, THE 28TH MARCH, 2000

The Committee sat from 1100 hrs. to 1350 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri P.R. Kyndiah — *In the Chair*

MEMBERS

Lok Sabha

2. Shri Mani Shankar Aiyar
3. Shri Jaswant Singh Bishnoi
4. Shri A. Brahmaniah
5. Shri Swadesh Chakrabortty
6. Shri Bal Krishna Chauhan
7. Shri Chinmayanand Swami
8. Shrimati Hema Gamang
9. Shri Vijay Goel
10. Shri Holkhomang Haokip
11. Shri Babubhai K. Katara
12. Shri Madan Lal Khurana
13. Dr. Ranjit Kumar Panja
14. Shri Ramchandra Paswan
15. Prof. (Shrimati) A.K. Premajam
16. Shri Nikhilananda Sar
17. Shri Maheshwar Singh
18. Shri Sunder Lal Tiwari
19. Shri Chintaman Wanaga

Rajya Sabha

20. Shri S. Agni Raj
21. Shri Karnendu Bhattacharjee
22. Shri N.R. Dasari
23. Shri C. Apok Jamir
24. Prof. A. Lakshmisagar
25. Shri Onward L. Nongtdu
26. Shri A. Vijaya Raghavan

SECRETARIAT

1. Shri S.C. Rastogi — *Joint Secretary*
2. Shri R. Kothandaraman — *Deputy Secretary*
3. Shrimati Sudesh Luthra — *Under Secretary*

Representatives of the Ministry of Rural Development (Department of Rural Development)

1. Shri Arun Bhatnagar — Secretary
2. Shri C.S. Rao — Addl. Secy & FA
3. Shri Mohan Kanda — Addl. Secy (LR), HURD
4. Shri Rangan Dutta — DG, CAPART
5. Shri R.C. Choudhary — DG, NIRD

2. In the absence of Chairman, the Committee chose Shri P.R. Kyndiah to act as Chairman for the sitting under rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. At the outset, the Chairman welcomed representatives of the Department of Rural Development in the Ministry of Rural Development to the sitting. He also drew the attention of the witnesses to the provision of direction 55(1) of the Directions by the Speaker.

4. The Committee then took oral evidence of the representatives of the Ministry of Rural Development (Department of Rural Development) on Demands for Grants 2000-2001 of the said Department.

5. A verbatim record of the proceedings was kept.

The Committee then adjourned.

APPENDIX IV

COMMITTEE ON URBAN AND RURAL DEVELOPMENT (1999-2000)

MINUTES OF THE FOURTEENTH SITTING OF THE COMMITTEE ON URBAN AND RURAL DEVELOPMENT HELD ON MONDAY, THE 10TH APRIL, 2000

The Committee sat from 1100 hrs. to 1515 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

Shri Anant Gangaram Geete — *Chairman*

MEMBERS

Lok Sabha

2. Shri Mani Shankar Aiyar
3. Shri Jaswant Singh Bishnoi
4. Shri Swadesh Chakraborty
5. Shri Chinmayanand Swami
6. Shrimati Hema Gamang
7. Shri Babubhai K. Katara
8. Shri Madan Lal Khurana
9. Shri Bir Singh Mahato
10. Shri Dharam Raj Singh Patel
11. Prof. (Shrimati) A.K. Premajam
12. Shri Chintaman Wanaga

Rajya Sabha

13. Shri S. Agni Raj
14. Shrimati Shabana Azmi
15. Shri Karnendu Bhattacharjee
16. Shri N.R. Dasari
17. Prof. A. Lakshmisagar
18. Shri Onward L. Nongtdu
19. Shri A. Vijaya Raghavan

SECRETARIAT

1. Shri S.C. Rastogi - *Joint Secretary*
2. Shri R. Kothandaraman - *Deputy Secretary*
3. Shrimati Sudesh Luthra - *Under Secretary*

2. The Committee took up for consideration of draft Report on Demand for Grants (2000-2001) of the Department of Rural Development (Ministry of Rural Development).

3. The Committee adopted the Report on Demand for Grants (2000-2001) of the Department of Rural Development with certain modifications as indicated in *Annexure.*

4. The Committee then authorised the Chairman to finalise the Report after getting it factually verified from the Department/Ministry concerned and present the same to the Houses of Parliament.

The Committee then adjourned.

ANNEXURE

(See Para 3 of the Minutes dated 10.4.2000)

SL. No.	Page **No.**	Para **No.**	Line **No.**	Modifications
1	2	3	4	5
1.	1	1.2		*Add* at the end- "The Department is also vested with the nodal responsibility of monitoring the implementation of Part IX of the Constitution, read with Article 243 D of Part IX."
2.	3	2.3		*Add* at the end- "The Committee urge that high- level coordination be undertaken between the Coven-anent and the Planning Commission in consultation with State Governments, RBI, NABARD and other concerned, to exponentially increase the allocation of resources for anti- poverty programmes and improve the efficacy of administration in particular by according primacy to the involvement of PRIs in all these schemes and eliminating waste and corruption to ensure that as many paise in the rupee as possible reach the intended beneficiaries."

1	2	3	4	5
3.	5	2.6	is	After 'previous year" *insert-* "SGSY Swarozgaris assisted were about a third of the number assisted previous year; mandays of wage employment generated fell to about half; EAS wage employment was drastically curtailed to about half; and the number of houses built under IAY fell by well over a quarter.'
4.	*7*	2.11	3	After 'survey', *insert-* 'Further the Committee desire that they should be informed about the details of the surveys being done by NSSO.'
5.	7	2.11		*Add* at the end- "The Committee urge upon the Government to make available to them on periodic basis the results of the major as well as thin surveys conducted by the Government in this behalf."
6.	7	2.12		*Omit* "." at the end, and *add-* .as well as for improving administrative efficacy and providing for the full scale involvement of the PRIs in planning and implementation.'
7.	10	2.17	7&8	For "rural development- read rural poverty ratios'

1	2	3	4	5
8.	11	2.19	9 to 13	*for* the existing lines 9 to 13 *read*— "The Committee stress that the Constitution requires the Government to ensure the involvement of District Planning Committees as grassroot level institutional devices for democratic planning. They, therefore, direct the Government to ensure the fulfilment of the Constitutional requirements in this regard in all States for involvement of DPCs in all rural development programmes in future."
9.	16	3.11	13	*For* "during" *read* "in"
10.	16	3.11	14	*For* "Year" *read* "financial year"
11.	16	3.11	14&15	*Omit* "*i.e.* last two months of the financial year"
12.	16	3.11	—	*add* at the end— "The Committee further recommend that real time monitoring of physical achievement and of the ratios of financial outlay to physical achievement, should be done alongwith effectively activating the institutional mechanism including PRIs for the efficient and cost effective implementation of the programmes."

1	2	3	4	5
13.	17	—	—	*After* para 3.13 *insert*— "When asked about the appropriateness of constitution of SGSY Committees inspite of the existence of Constitutional three tier Panchayat Raj System, it was clarified by the Government that the formation of the block-level and district-level SGSY Committees is not a digression from the objective of the Panchayati Raj System. The guidelines of Swarnjayanti Gram Swarozgar Yojana clearly state that the programme will be implemented by the DRDAs through the Panchayat Samitis* and with the active involvement of other Panchayati Raj Institutions, the banks, the line departments and the NGOs. Swarnjayanti Gram Swarozgar Yojana is a programme having many dimensions and unless all concerned play their role, the programme will not meet with the desired degree of success. It has further been stated that block-level and district-level SGSY Committees are essential mechanisms to deal with issues relating to coordination, either with line departments, banks, NGOs, etc. Deliberations in these Committees are expected to pay attention to details, which may not be possible in meetings of the intermediate Panchayats or the district Panchayats.

*The term "Panchayat Samities" has been used by the Government in their replies to the Committee.

1	2	3	4	5
14.	9	3.18(a)		3.18 (a) may be *renumbered as* 3.18 (b) and read as under:- "the number of rejection of applications of beneficiaries on flimsy grounds like incomplete forms etc. is reduced to the minimum;"
15.	19	3.18(b)		*For* "only the genuine beneficiaries who" read "only the genuine beneficiaries approved by the Gram Sabhas and other authorised local bodies as"
16.	19	3.18(c)		3.18(c) may be *renumbered as* 3.18(e) and the word "his application" may be read as "his/her application'
17.	19	3.18(c)		3.18(e) may be *renumbered as* 3.18(c)
is.	19	3.18(f)		3.18 (0 may be *renumbered as* 3.18(a)
19.	23	3.27		*Add* at the end- 'Moreover, the Committee view with the deepest concern Government's intention of placing the entire burden of the cost of maintenance of JGSY assets on the village Panchayats

1	2	3	4	5
				without first ensuring the sound finances of the Panchayats. A nexus must be established between the financial burden of Panchayats and their capacity to pay."
20.	23	3.28	6 from bottom	*After* "1999-2000" *insert* "(November, 1999)"
21.	23	3.28	2 from bottom	*For* "improvisation" *read* "improvement"
22	24	—	2 to 6	*For* lines 2 to 6, *read*— "However, they are of the opinion that wage employment and the absorption of the rural unemployed and under-employed in economic activities are key objectives in themselves and can be linked to building a viable rural infrastructure as indeed they were under the earlier JRY."
23.	24	—	—	*After* the last line, *add*— "The Committee are also concerned that the distinction between income generation and infrastructure creation, which has characterised poverty alleviation programmes since their inception, has been blurred in the restructured JGSY. They urge that the focus on JGSY be

1	2	3	4	5
				on income generation through wage employment and the focus on SGSY be on infrastructure creation. Through self-employment, the Committee note with satisfaction that an attempt has been made to democratise the functional responsibility of SGSY and JGSY by interconnecting the implementation of the former to the intermediate Panchayats and the latter to the village Panchayats. The Committee urge that similar exercises be carried out for the other programmes of the Ministry to avoid needless overlapping and duplication between different tiers of the Panchayati Raj system.
24.	27	3.39	4 from bottom	*After* "1998-1999" *insert* the follwing: "The decline in EAS when viewed in conjunction with the drastic fall in JGSY/SGSY employment generation and the virtual stagnation in agricultural output, would point to a serious rise in the poverty ratio during 1999-2000".
25.	27	3.39	1 from bottom	(i) *After* "programme" *insert* "alongwith the abysmal physical achievement" (ii) *For* "direct" *read* "desire that". (iii) *For* "to" *read* "should".

1	2	3	4	5
26.	28	—	1	(i) *After* "furnish" *insert* "a detailed analysis of" (iii) *After* "reasons" *insert* "for the shortfall"
27.	28	—	last line	*After* "underspending" *add* "and underachievement in physical targets"
28.	28	—	—	*After* the last line, *add*— "With EAS having emerged as the single most important wage employment generation programme of the Central Government, covering all parts of the country and all sections of the poor in search of work, the Committee urge that the question of financial allocation, targets and institutional mechanism be reviewed at the highest level by the Government and the Planning Commission, in consultation with State Governments and others concerned, so as to assist, direct and prioritise EAS in keeping with the requirements of the most needy people of this country."
29.	31 & 32	4.9 & 4.10	—	*For* the existing paras 4.9 and 4.10, *read*— "The Committee note that there has been virtual stagnation in the number of houses built since 1995-96 followed by a precipitous decline during 1999-2000. The Committee also note the worsening of the ratio of financial outlay to physical achievement which has resulted in virtually the same number of

1	2	3	4	5
				houses being built in 1998-99 as in 1995-96, but at nearly 50% higher financial outlay. They fail to understand how the target of providing 13 lakh houses annually in rural areas would be achieved with the poor trends of physical performance thus far. They, therefore, strongly recommend that financial outlays be increased, administrative and institutional mechanism vastly improved, and better technology be introduced to substantially reduce the unit cost of housing."
30.	33	4.14	3 from Bottom	*After* "strengthened" *insert* "in conjunction with the Drinking water and Rural Sanitation Programmes"
31.	33	4.14	—	*Add* at the end— "Besides the Committee feel that much greater attention needs to be paid to the repairing/ rebuilding of houses built under earlier IAY."
32.	39	5.5	9&10	*For* "lesser then" *read* "less than"
33.	42	5.12	4	*After* "understand" insert the following: "this contradiction and wonder"
34.	42	5.12	3 from bottom	(i) *For* "Zila Parishads" *read* "PRIs and Municipalities" (ii) *Omit* "alone"

1	2	3	4	5
35.	42	5.12	last line	(i) *For* "better" *read* "best" (ii) *After* "by" *insert* "the elected"
36.	44	5.15	1&2 from bottom	*For* the existing last 2 lines, *read*- "already existing scheme i.e. NOAPS should be enlarged further by providing old age pension to such persons who are eligible for it but are not receiving it at present. They also recommend that the Government should consider to increase the amount of pension under NOAPS."
37.	46	6.5	—	*Add* at the end— "In particular, the Committee desire, that, bearing in mind article 243G of the Constitution, the bureaucratic overload of DRDAs be seriously reconsidered and an earnest effort made to merge the function of the DRDAs with the district Panchayats. The Committee feel that DRDAs are administrative arrangements existing before the insertion of Part IX in the constitution and with the giving effect to Part IX of the Constitution, DRDAs need to be democratised and rooted in the Panchayati Raj system."

1	2	3	4	5
38.	49	—	—	*After* the heading "PANCHAYATI RAJ" *insert* "(a) Training Scheme for Panchayati Raj functionaries"
39.	50	—	—	*After* the last time, *add* the text as at Enclosure 'A'
40.	53	8.6	1&2 from bottom	*For* last 2 lines *read*— "of NGOs should be thoroughly verified by CAPART before grants are sanctioned to them. The Committee further recommend that the role of NGOs as well as the list of NGOs maintained by CAPART should be thoroughly reviewed. The Committee also recommend that NGOs whose genuineness is attested by MPs should be given due weightage by CAPART for providing grants".
41.	54	9.3	—	*Add* at the end— "They express their apprehension that, as with other restructured programmes of the Department, restructuring might itself lead to unconscionable delays. This must be avoided and implementation should begin in right earnest as soon as possible during the current financial year."

ENCLOSURE'S

(Please *see* Sl. No. 39 of Annexure)

(b) **Implementation of Constitution 73rd Amendment Act**

5.16 Part IX of the Constitution dealing with the Panchayats was enacted in December 1992. The President's assent was obtained in April 1993 and all States were required within a year to amend their respective State Panchayati Raj laws or enact new laws to bring them in conformity with the new Constitutional provisions. Thus the Constitutional provisions came into full effect six years ago, and most of the States have held at least one round of elections to the local bodies under the provisions of Part IX.

5.17 While fully respecting the fact of Panchayati Raj being a State subject under Schedule VII of the Constitution, and keeping in view the responsibilities vested specifically in the State Legislatures and State Governments by the different provisions of Part IX and Part IXA, the Committee stress with all the force at their command that the responsibility for ensuring the implementation of the Constitutional provisions rests primarily on the Central Government. Moreover, even where the legal responsibility vests in State Governments, the Central Government has the key responsibility for monitoring implementation, exercising its powers of persuasion, keeping track of departures from the letter or spirit of the Constitution, ensuring correction, and implementing the Panchayats (Extension to Scheduled Areas) Act, 1996, passed by Parliament in response to the Constitutional directive contained in Article 243. This means the Department of Rural Development has to play a pro-active role in pushing for the full realisation, in letter and spirit, of the Constitutional provisions.

5.18 There does not however seem to be adequate appreciation of the fundamental need to base the programmes of the Department in the Panchayat Raj Institutions (PR1s) established through the Constitution. The obsolete mindset is betrayed by the use of obsolete terms to describe PRIs both in the Annual Report of the Ministry and the Performance Budget of the Department, such as, for example, the terms 'Panchayat Samiti" have been used in lieu of "Intermediate Panchayat".

5.19 The Committee urge that the Department, in their organisation of work, and in their monitoring and reporting of the work of the Department to Parliament and to others concerned, firmly anchor the implementation of the Constitutional provisions as the centre-piece and foundation of all their activities. What the Ministry must particularly guard against is the bureaucratisation of Panchayati Raj. It is also incumbent on the Ministry to ensure that PRIs and the District Planning Committees are used to the full wherever any Central or Centrally-sponsored scheme relates to any subject listed in Schedule IX of the Constitution. The Committee note from the Annual Report (Chapter 2) that two key conferences were organised by the Ministry on 2.8.97 and 13.5.98. Directions for the implementation of a Seven Point minimal package to observe the Year of the Gram Sabha (1999-2000) were also circulated to all concerned on 17.3.99. It is a sad commentary on the seriousness with which the recommendations of the two conferences are being followed-up, and the implementation of the minimal Seven-Point Gram Sabha programme is being monitored, that neither in the Annual Report nor in the evidence tendered before the Committee was any attempt made by the Department to assess and analyse the implementation of Panchayati Raj in the country.

5.20 The Committee are concerned to note that whereas the primary responsibility for monitoring the implementation of the Panchayats (Extension to Scheduled Areas) Act, 1996 vests in the Ministry, and certain problems in this regard have been identified in the Annual Report, the Committee have not been informed of the steps proposed to be taken to resolve these problems and the time-frame within which this is sought to be accomplished.

5.21 The Committee would also wish to stress that in those States/ regions of the country which are exempted from the provisions of Part IX, the Ministry must keep a close watch on how the legally authorised local bodies are faring and extend to them such assistance as they might require. This also applies to such States/regions where for whatever reason elected local bodies are not functional.